

**An Application For An
Idaho Community Development Block Grant**

Shoshone County

Central
Shoshone
County
Water
District



Water Meter Installation

November 21, 2008

By:

Sherry Krulitz, Chairman
Shoshone County Commission

and

Duane Little, Chairman
CSCWD

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County of Shoshone

700 BANK STREET, SUITE 120
WALLACE, IDAHO 83873-2348

November 18, 2008

Mr. Donald Dietrich, Director
Idaho Department of Commerce
PO Box 83720
Boise, ID 83720-0093

Dear Director Dietrich,

On behalf of the Central Shoshone County Water District (District), Shoshone County respectfully submits this application for an Idaho Community Development Block Grant to install water meters as a requirement under a Voluntary Consent Order with the Idaho Department of Environmental Quality (IDEQ).

The District is one of the oldest in the state with system components dating back to the early 1900's. Because of the decline in ratepayer base due to the collapse of the mining industry and local economy, the District has struggled to simply maintain its system so has not been able to make the necessary improvements required to bring the system in compliance with the Idaho Department of Environmental Quality (IDEQ) rules for public drinking water systems. Compounding its current financial difficulties, the lack of meters has caused its patrons to use an excessive amount of water per capita. This combined with the significant rise in electricity and chemical costs have greatly increased operating costs, diverting resources from required capital projects. Both factors have put the District in the position of having to make major improvements to keep their system viable with very limited resources. Despite the measures taken to date, the District has a funding gap to bring the water system into compliance with IDEQ and the District's consent order.

Matching funds for this project include \$1,239,057 IDEQ loan funds, \$200,000 District Cash, \$490,461 in previous expenditures by the District, and \$3,000 Shoshone County for the Audit.

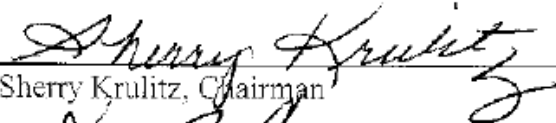
Donald Dietrich
November 18, 2008
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An income survey of the District identified 53.72% low to moderate-income (LMI) residents. The Block Grant funds will be dedicated to Smelterville and Kellogg where the majority of low income rate-payers live.

Thank you for your attention and consideration of our grant request.

Sincerely,

BOARD OF COUNTY COMMISSIONERS


Sherry Krulitz, Chairman


Jon Cantamessa, Commissioner


Vince Rinaldi, Commissioner

Cc: Tim Komberec, Region I EAC Member
C.J. Buck, EAC At-Large Member

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APPENDICES:

A Survey Documentation

- Tabulation
- Income Survey Notices
- Sample Survey
- Survey Report
- Boundary Map
- Sample Size Calculator
- Random Number Generator

B Public Participation

- Citizen Participation Plan
- Public Hearing Documentation
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- Subgrantee Agreement
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- Maps
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- Match Commitments

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- IDEQ Approval
- Water System Master Plan
- Utility Rate Review
- Water Rate Schedule
- Hook-Up Fee Schedule

I Environmental Review

I. ICDBG Application Information Form

Applicant: Shoshone County Chief Elected Official: Sherry Krulitz
Address: 700 Bank Street, Wallace, ID 83873 Phone: 208-752-3331

Subrecipient: Central Shoshone County Water District Chief Elected Official: Duane Little
Address: 409 Main Street, Kellogg, ID 83837 Phone: 208-786-9141

Application Prepared by: Nancy Mabile, ED Planner Phone: 208-772-0584, x3014
Address: Panhandle Area Council, 11100 N. Airport Drive, Hayden, ID 83835

Engineer: Steve James, PE Phone: 208-762-8787
Address: J-U-B Engineers, Inc., 7825 Meadowlark Way, Coeur d'Alene, ID 83815

National Objective

- ☒ LMI Area ☐ LMI Clientele
☐ LMI Jobs ☐ Slum & Blight
☐ Imminent Threat

Project Type

- ☒ Public Facility/Housing ☐ Community Center
☐ Economic Development ☐ Senior Center
☐ Imminent Threat

Project Population to Benefit (Persons):

Total # to Benefit: Est. 5,290 Total # LMI to Benefit: 231 (based on random income survey)
% LMI to Benefit: 53.72% % Minority Population: 4 %

Project Description:

Installation of 1,150 water meters in the predominantly LMI areas of the Central Shoshone County Water District of Kellogg and Smelterville.

SOURCE	AMOUNT	DATE APPLICATION SUBMITTED	RESERVED/ CONDITIONAL AWARD	FUNDS COMMITTED/ CONTRACT AWARD DATE	DOCUMENTS IN APPENDIX
ICDBG	\$500,000				
Local Cash	\$200,000			11/18/07	G
Local Loan*	\$1,239,057	7/1/05	11/1/05	3/1/06	G
Local In-Kind**	\$3,000			11/18/08	Cover Letter
UDSA RD Grant					
EDA Grant					
State Grant					
Other: previous expenditures	\$490,461			11/07 – 11/08	G
SUBTOTAL	\$2,432,518				
Other: Bond for Filtration Plant	\$10,800,000	Est. 08/07	12/07	Est. 12/08	G
TOTAL PROJECT	\$13,232,518				

* Identify Loan Source(s): DEQ Date Bond or Necessary & Ordinary Passed: 9/7/05 & 8/05/08

** Describe In-Kind match by type (i.e., materials, labor, waived fees, land value) and amount.

Inkind match includes the audit to comply with the Single Audit Act

II. Economic Advisory Council

The Central Shoshone County Water District currently serves 2,500 connections in the Cities of Smelterville, Kellogg, Osburn and in a number of unincorporated areas of the Silver Valley. This is currently the largest unmetered system in the state of Idaho. It is also the largest system in Idaho that has been identified as having an unfiltered surface water supply.

These two factors have caused the District to be under an Idaho Department of Environmental Quality (IDEQ) consent order since 1995. A Water System Master Plan was developed in October 2005 by JUB Engineers, Inc. The problems with the District's water system are so large that the Master Plan is segregated by Volumes to address capacity, storage, filtration and metering.



The District has struggled to simply maintain its system so has not been able to make the necessary improvements required to bring the system into compliance with the Idaho IDEQ rules for public drinking water systems. Compounding its current financial difficulties, the lack of meters has resulted in patrons using an excessive amount of water per capita. This combined with the significant rise in electricity and chemical costs have greatly increased operating costs, diverting resources from required capital projects. Both factors have put the District in the position of having to make major improvements to keep their system viable with very limited resources. Despite the measures taken to date, the District has a funding gap to bring the water system into compliance with IDEQ and the District's consent order.

The District is currently resolving its unfiltered water supply by installing a water filtration system in 2009 with a \$10,800,000 bond approved by the voters in August 2008. Future growth will be accommodated through reducing flows or adding treatment units to expand capacity. Flow reduction is best accomplished through use of individual water meters that bill each rate-payer for the amount they use.

The Idaho Department of Commerce has long worked to help communities develop the infrastructure they need to serve future generations. No aspect of this is more important than strengthening a community's fiscal strength. By its very nature, this meter project has the potential to do more long term good for the Silver Valley than the small investment in equipment, materials and concrete. This project is a key part of the District's push to meet current standards in a cost-effective and sustainable manner. With meters in place, the District can charge its rate-payers the true cost of service and implement a fair, equitable rate system. This project will also give the District the ability to grow, helping decrease the rate burden on low income residents.

Despite the current water bills of \$40 per month and projected bills of \$50 per month, the District does not have adequate funds to complete this project. An income survey of the District identified 53.72% low to moderate-income (LMI) residents. Although the mining companies have resumed activities increasing employment opportunities, less than a year after the Sunshine Mine reopened production stopped and 60% of the workforce was laid off. A month later, in October 2008, the Galena Mine Complex trimmed 45 employees. November unemployment in the County took a leap back into the double digits at 11.2%--a substantial increase from a 4.9% unemployment rate just one year ago.

The ICDBG funds will be dedicated to Smelterville and Kellogg where the majority of low income rate-payers live. Without ICDBG assistance the District will be unable to meet the consent order timeline and will be forced to dedicate a significant portion of their staff to meter installation instead of concentrating on operation and maintenance. Water usage will continue to increase and the current system will be unable to keep up with demand, leading to low system pressures and potential human health impacts. The impacts to low and moderate-income households will also be debilitating due to excessive flat water rate bills.

Matching funds for this project include \$1,239,057 IDEQ loan funds, \$200,000 District Cash, \$490,461 in previous expenditures by the District to purchase meters (photo above), and \$3,000 Shoshone County for the Audit.

III. Threshold Criteria

A. ELIGIBLE APPLICANT:

- ☐ The applicant is a City. ☒ The Applicant is a County.

Shoshone County is the applicant, on behalf of the Central Shoshone County Water District (District), a unit of government in the State of Idaho. A Subgrantee Agreement (Appendix C) is in place that outlines the responsibilities of the County as Grantee and the District as sub-recipient. In summary, the Agreement identifies that the County shall maintain fiscal responsibility of the Grant and has procured for professional services of an ICDBG-certified grant administrator. In turn, the District shall comply with all rules and regulations under the ICDBG program. The District is a non-profit water district formed and regulated under Idaho Code; therefore it is not a faith-based organization.

B. ELIGIBLE ACTIVITIES:

Eligible activities for this project as outlined in Chapter 2 of the ICDBG Application Handbook include:

- Public Facilities and Improvements – Installation of water meters for all existing connections within the District boundaries.
- Administration Activities – Administrative costs for the ICDBG-certified grant administer and the County related to the ICDBG, including but not limited to the management, coordination and monitoring of activities necessary for effective planning, implementation and execution of the project.

C. NATIONAL OBJECTIVE:

LMI-Area Benefit:

Total number of households in Project Benefit Area: 1,540

LMI Percentage Determined By:

- | | |
|--|---------------------------------|
| <input checked="" type="checkbox"/> Survey | <input type="checkbox"/> Census |
| Survey Report, Sample Survey, | Tract _____ BG _____ |
| Survey Tabulation, Boundary Map | Tract _____ BG _____ |
| are found in Appendix A. | Tract _____ BG _____ |

The boundaries of the Central Shoshone County Water District include the cities of Kellogg, Smelterville, Osburn and Wardner, and the unincorporated communities of Big Creek and Elizabeth Park. The distribution lines follow the railroad grade/I-90 corridor between these communities.

Although there are approximately 2,300 residential customers, duplicate addresses, businesses and out-of-area addresses were removed from the District customer list, identifying 1540 households for income survey calculations. The survey documentation is in Appendix A.

D. CITIZEN PARTICIPATION

The Citizen Participation Plan was most recently adopted by Shoshone County on November 11, 2008. A Notice of Public Hearing to discuss the ICDBG application was published in the Shoshone News-Press on November 6, 2008 and held at the Shoshone County Courthouse on November 18, 2008. Copies of the Citizen Participation Plan, public hearing notice, affidavit of publication and sign-in list of attendees are provided in Appendix B. The minutes of the public hearing will be provided to the Idaho Department of Commerce under separate cover.

Shoshone County initially agreed to sponsor grant applications for the Central Shoshone County Water District in 2004. Since that time, the District has had numerous public meetings. A judicial confirmation hearing was held in September 2005 in the amount of \$6,000,000 to fund upgrades to the Enaville Well, two water reservoirs and purchase of water meters. In order to complete the requirements of the Consent Order, the District continued public meetings in 2007 and 2008. On August 5, 2008, after two previous bond issue failures, the voters approved a bond in the amount of \$10,800,000 for purposes of purchasing the remaining meters needed and constructing a water treatment facility. Note that the water treatment facility is not part of the project presented in this application. Documentation of public meetings, bond election and press articles are in Appendix B.

E. STATEWIDE GOALS AND STRATEGIES

This project will meet the goal to preserve and enhance suitable living environments and meet the strategy of improving the safety and livability of communities with improvements made to meet the requirements under a Voluntary Consent Order to install water meters to all District customers. These improvements will help the District to better manage the water supply, foster efficient water use among customers and ensure that customers enjoy a high-quality and reliable water source for decades to come.

F. ADMINISTRATIVE CAPACITY

1. Fiscal Capacity

There have been no findings from previous monitoring or independent audits within the past five years for either Shoshone County or the Central Shoshone County Water District. Neither entity, with the exception of retirement, have had no staff turnovers. There have been no recall elections for either the District or the County. The Independent Auditor's Report for both Shoshone County and the District are located in Appendix C.

2. Certified Grant Administrator

Shoshone County has an ICDBG-certified grant administrator for this project. The procurement documentation is in Appendix C.

G. FAIR HOUSING

Shoshone County adopts and publishes the Fair Housing Resolution and Policy Regarding Non-discrimination on an annual basis, regardless if they are a grantee on any federal funded projects. The most recent adoption of the Fair Housing Resolution for Shoshone

County was on April 14, 2004 and published in February 2008. This resolution will be published again prior to submission of the Addendum. A copy of the current resolution and publication is provided in Appendix D.

IV. Program Income

Service fees for the District are in excess of \$25,000, however, the District is non-profit formed and regulated under Idaho Code, and therefore, all gross income earned from service fees is put back into the system through operation and maintenance activities.

V. General Project Description

A. COMMUNITY DESCRIPTION:

The most current Labor Market Profile for Shoshone County as published by the Idaho Department of Labor at www.lmi.idaho.gov is located in Appendix E.

B. COMMUNITY NEEDS ASSESSMENT:

Facilities & Infrastructure	Poor	Fair	Good	N/A	Previously ICDBG Funded
Water	✓				Yes
Sewer		✓			No
Electrical		✓			No
Fire		✓			No
Hospitals				✓	No
Housing		✓			No
Roads			✓		No
Railroads				✓	No
Airport				✓	No
Broadband		✓			No
Senior Center				✓	No
Community Center				✓	No
Community Recreation Facilities				✓	No
Employment Opportunities	✓				No
Other					No

The items above checked as in poor condition are employment opportunities, and water. The following is a synopsis of these category items:

Employment Opportunities – Most of the available jobs in the Silver Valley are part-time, seasonal or low paying, creating a serious underemployment concern. For nearly three decades the Silver Valley experienced job loss as the mining industry collapsed. Although the mining companies have resumed activities increasing employment opportunities, within the past month – employees have been laid off. Less than a year after Sunshine Mine reopened, production stopped and 60% of the workforce was laid off. A month later, in

October 2008, the Galena Mine Complex trimmed 45 employees. November unemployment in the County took a leap back into the double digits at 11.2%.

Water System – The District is currently facing numerous improvements to their water supply to both protect human health and comply with their Voluntary Consent Order (VCO) mandated by the State of Idaho and the Environmental Protection Agency. A Water System Master Plan was developed in October 2005 by JUB Engineers, Inc. The problems with the District's water system are so extensive that the Master Plan is segregated by Volumes to address capacity, storage, filtration and metering.

The Central Shoshone County Water District serves 2500 connections in the Cities of Smelterville, Kellogg, Osburn and in a number of unincorporated areas of the Silver Valley. This is currently the largest unmetered system in the state of Idaho. It is also the largest system in Idaho that has been identified as having an unfiltered surface water supply. These two factors have caused the District to be under an IDEQ consent order since 1995.

The District is one of the oldest in the state with system components dating back to the early 1900's. Because of the decline in ratepayer base due to the collapse of the mining industry and local economy, the District has struggled to simply maintain its system so has not been able to make the necessary improvements required to bring the system into compliance with the Idaho Department of Environmental Quality (IDEQ) rules for public drinking water systems. Compounding its current financial difficulties, the lack of meters has caused its patrons to use an excessive amount of water per capita. This combined with the significant rise in electricity and chemical costs have greatly increased operating costs, diverting resources from required capital projects. Both factors have put the District in the position of having to make major improvements to keep their system viable with very limited resources. Despite the measures taken to date, the District has a funding gap to bring the water system into compliance with IDEQ and the District's consent order.

Additional challenges faced the District this past summer (2008). Waterlines collapsed and crumbled during construction of the wastewater collection system in Smelterville, forcing the District to spend funds on waterline replacement. As a result, meter installation was put on hold, and the District no longer has the financial resources to continue this installation and meet the timeline requirements of the VCO.

Currently, water system storage and capacity meet or exceed standards set by IDEQ. The bond approved in August 2008 will fund the requirements for filtration. The remaining element of the VCO not yet fully accounted for is installation of the water meters.

Letters of Support are located in Appendix B.

C. PROJECT DESCRIPTION:

The District proposes to complete installation of water meters as recommended in the October 2005 Water System Master Plan prepared by J-U-B Engineers.

The District can use District staff to install 400 meters per year. The additional funds provided by the ICDBG will allow them to increase this to 700 meters next year on a force account basis with an additional 450 meters installed by local contractors. This will allow the District to complete meter installation by 2011. To gain the benefit of the phased meter installation, the District will send house-holds with meters sample bills to let them know

what their water usage is and encourage conservation. Once all meters are installed, they will all be read and billed accordingly.

The project assumes the District will have to publicly bid for a contractor to perform 40% of the meter installation, concentrating on the LMI Cities within the District of Kellogg and Smelterville. The District workforce will install the remaining 60% of the meters. The total number of meters to be installed is budgeted at 1,150. The components of the project are listed below and are identified by funding source:

ICDBG:

- Certified grant administration services which includes all activities required to meet the successful completion of the project.
- Installation of meters by Contractor

DISTRICT:

- Materials for the District installed meters
- Engineering fees for the contractor bid package
- Force Account meter installation not covered by the ICDBG
- Tracking of installed meters and mapping

DEQ:

- Meter purchase
- Matching funds for the remaining meter installation

The project will be bid using the laws governing public works projects. Project maps and cost estimates are located in Appendix G.

D. PROJECT LAND & PERMITS:

All construction will be conducted within public right-of-way in the Cities of Kellogg and Smelterville.

1. Has any land been purchased for this project? (*not required*) ☐ Yes ☒ No
List date of purchase: _____
What funds were used to make this purchase? _____
2. Have any buildings been purchased for this project? ☐ Yes ☒ No
3. Have any easements been purchased for this project? ☐ Yes ☒ No
Meters will be located in public rights of way or in existing meter pits
4. Are any rights-of-way permits required for this project? ☐ Yes ☒ No
5. Will any land be needed for this project? ☐ Yes ☒ No
Status of purchase: _____
Estimated date of final purchase: _____
What funds were used to make this purchase? _____
6. Will any buildings be needed for this project? ☐ Yes ☒ No

7. Will any easements be needed for this project? ☐ Yes ☒ No
8. Is anyone living on the land or in the structures at the proposed site? ☐ Yes ☒ No
9. Is any business being conducted on the land or in the structures at the proposed site? ☐ Yes ☒ No
10. Are there any businesses, individuals or farms being displaced as a result of this project? ☐ Yes ☒ No
11. Are there permits that will be needed for the project, i.e., well, water rights, land application, demolition permits, zoning permit, air quality permit, etc.? ☐ Yes ☒ No
Status of the permits (including plan for securing permits): N/A
12. Describe the ownership or lease arrangements for the property involved in the project: All improvements will be located within public rights-of-way

VI. Budget Narrative

The following describes the funding sources by category and the commit status of each source, in order as outlined on the form in the ICDBG Application Handbook. Documentation of match commitments is located in Appendix G.

GOVERNMENT

ICDBG GRANT – \$500,000 – Pending

These funds will be used for certified grant administration (\$50,000), and installation of meters (\$450,000).

LOCAL MATCH

DEQ SRF LOAN – \$1,239,057 – Committed

These funds will be used for meter purchase, interim financing and legal fees.

DISTRICT – \$690,461 – Committed/Spent

The District has committed \$200,000 from its operating budget to pay for engineering, materials and labor to install the meters, and has previously spent \$490,461 in meter purchase and installation the past year.

COUNTY IN-KIND – \$3,000 – Committed

The amount of \$3,000 out of the County's General Fund is allocated for the audit, meeting the requirements of the Single Audit Act. This verification is stated in the cover letter to this ICDBG application.

OTHER MATCH

DEQ SRF LOAN – \$10,800,000 – Pending

These funds are from the recent bond election to construct the water filtration plant required under the IDEQ Voluntary Consent Order. IDEQ is currently processing the loan application.

VII. ICDBG Budget Forms

Applicant/Grantee: Shoshone County				Project Name: CSCWD Water Meter Installation				
Line Items	ICDBG Cash	District Cash	County In-Kind	DEQ SRF Loan	District Previous Expenditure	SUBTOTAL	OTHER: DEQ SRF Loan	TOTAL
Administrative	\$50,000					\$50,000		\$50,000
Land, Structures, Rights of Way						\$0		\$0
Engineering		\$82,000				\$82,000		\$82,000
Meter Purchase				\$368,057		\$368,057		\$368,057
Construction	\$450,000	\$118,000		\$861,000	\$490,461	\$1,919,461	\$10,610,000	\$12,529,461
Interim Financing				\$7,500		\$7,500	\$175,000	\$182,500
Legal (Bond)				\$2,500		\$2,500	15,000	\$17,500
Audit			\$3,000			\$3,000		\$3,000
TOTAL COSTS	\$500,000	\$200,000	\$3,000	\$1,239,057	\$490,461	\$2,432,518	\$10,800,000	\$13,232,518

VIII. Detailed Cost Analysis

1. Have preliminary plans and specs been submitted to regulatory agencies for review? ☒ Yes ☐ No
Plans and specifications have been submitted for the original meter purchase. The meter installation will be done either through a unit price bid process where the unit prices are clearly defined for each major element (i.e., meter box installation, service line replacement, etc.).
If yes, list date submitted: Fall, 2006 (meters)
If no, list expected date to be submitted: March, 2009 (meter installation)
2. Has final design (for bidding) begun? ☐ Yes ☒ No
If yes, % complete: _____
If no, what is expected start date: January, 2009
3. Will project include bid alternatives to meet project budget if necessary? ☒ Yes ☐ No
4. Are Davis-Bacon wage rates applicable to the project? ☒ Yes ☐ No
Davis Bacon will be applicable to the contractor's portion, but not the force account work.
If yes, are they included in the project costs? ☒ Yes ☐ No
5. Have known environmental measures been included in the project costs? (e.g., dust mitigation, archeological survey, storm water drainage, wetland mitigation, etc.) ☒ Yes ☐ No
6. What will expected construction contingency be at final design? 10%.
Since the contract will be unit price, the overall cost will be easier to control.
7. List the last date the owner and design professional discussed project design and details: November 10, 2008.
8. Design Professional Cost Estimate may be found in Appendix G.

IX. Project Schedule

Project Activity	Date (to be) Completed	Documentation in Appendix
Grant Administrator Procured	November 2008	C
Engineer/Architect Procured	January 2000	C
Other Funding Secured	July 2008	G
Permits Identified & Secured	N/A	–
Subrecipient Agreement Drafted	November 2008	C
Environmental Review Complete	May 2009	I
Complete 504 Requirements	August 2009	D
Complete Fair Housing Requirements	August 2009	D
Bids Advertised	April 2009	–
Start Construction	June 2009	–
Second Public Hearing	September 2009	–
Certificate of Substantial Completion	December 2009	–
Closeout	January 2010	–

Name of Professional & Agency Contacts	Firm/Agency	Telephone	Topic
Steve James Michelle Johnson	J-U-B Engineers	208-762-8787	Project Planning
Tony Tenne Dennis Porter	ICL	208-334-2470	Project Planning
Tim Komberec	Region I EAC	208-292-3857	Project Scope
CJ Buck	EAC At-Large	208-262-0500	Project Scope
Sherri Krulitz Jon Cantamessa Vince Rinaldi	Shoshone County Board of Commissioners	208-752-3331	Grantee/Project Planning
John Tindall Stephen Tanner Katy Baker	DEQ	208-769-1422	Regulatory Compliance
Duane Little, Chairman And Board of Directors	CSCWD	208-786-9141	Project Planning
Dennis Norris	Manager, CSCWD	208-786-9141	Project Planning
Chuck Wardwell	SVEDC	208-752-5511	Support
Mike Ormsby	Preston, Gates & Ellis	208-667-1839	Bond Attorney
Gary Carroll	Boise State University	208-426-2460	Rate Review
Diane Sauer	Idaho Rural Water	208-343-7001	Metering in Idaho

X. Financial Profile

Is the Grantee a:

☐ City ☒ County

If a sub-recipient, what type of organization?

☒ Water District ☐ Sewer District ☐ Homeowner's Assn.
☐ For-Profit Company ☐ Non-Profit Company ☐ Water Association
☐ Fire District ☐ Hospital District
☐ Other (Explain) _____

INSTRUCTIONS:

For all projects complete Sections III & IV.

For all projects that pertain to water – Complete Sections I, III & IV.

For all projects that pertain to sewer – Complete Sections II, III & IV.

Water System – Input information for the water system (entity) that is expected to utilize the Idaho Community Development Block Grant funds.

Water Source(s): ☒ Wells ☐ River ☐ Lake ☐ Springs
☐ Purchase ☐ Other: _____

Water Treatment Method: Chlorine

Number of people served by the system	E. 4,806
Number of hook-ups on the system	2,673
Number of equivalent dwelling units (EDUs) on the system	3,338
Number of residential EDUs	2,237
Number of commercial EDUs	1,101
Number of industrial EDUs	0
Number of Wells	1
Number of fire hydrants	182
Storage reservoir (gallons)	6,000,000
Water piping (linear feet)	300,000
Are all system users on meters?	No
Are meters consistently read?	Yes-Commercial
For residential, what is the average monthly water rate/10,000?	
Water Rate Schedule is located in Appendix H	\$60.84
When was the last rate increase?	January 2008
How much were the rates increased?	\$5.00/month

Annual Water System Revenue

Current funds in capital improvement account	\$338,343.29
Current funds in reserve fund	\$120,000.00
Total dollar amount owed by customers in arrears	\$6,400.00

Annual Water System Expenses	<u>\$2,179,366.67</u>
-------------------------------------	------------------------------

Residential hook-up fee	<u>Appendix H</u>
Commercial hook-up fee	<u>Appendix H</u>
Industrial hook-up fee	<u>Appendix H</u>

Value and Description of Assets:

Land	<u>\$412,408.00</u>
Buildings	<u>59,456.00</u>
Equipment	<u>251,805.40</u>
Other: Plant, Infrastructure, Reservoir & Well, Vehicles	<u>7,097,045.34</u>
Total Asset Value	<u>7,820,714.74</u>

Identify Outstanding Indebtedness*:

Amount Owed	Years Remaining	Annual Payment	Lender
\$870,000	10	\$87,842.50	US Bank

*Pending debt of \$16.8 million as a result of the treatment plant.

Explain Water Conservation Methods Implemented: Meters to be installed.

IV. All Applicants

Grantee Financial Summary (based on most current audit report)

Revenue

Taxes	<u>\$1,556,345</u>
Licenses and Permits	<u>259,060</u>
Intergovernmental	<u>2,644,478</u>
Charge for Services	<u>1,048,109</u>
Miscellaneous	<u>113,432</u>
Other:	<u>230,977</u>
Total Annual Revenue	<u>5,852,401</u>

Expenses

Total Annual Expenditures	<u>5,486,637</u>
----------------------------------	-------------------------

V. All Applicants
Growth Management Planning

When was the last comprehensive plan last updated? 1996

Which of the following tools do you implement as land use measures and controls?

	<u>YES</u>	<u>NO</u>
Building Codes	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Historical Preservation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Conventional Zoning Ordinances	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other Zoning Options:		
• Bonus or Incentive Zoning <i>Example: Allows for increased residential densities if developer will include affordable housing options.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Transfer of Development Rights <i>Example: Transfer development rights to areas where development is wanted and to restrict it in areas where it is not.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Planned Unit Development (PUD) <i>Example: Allows for creative and innovative design at same time creating amenities for public benefit (mixed use development).</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
• Development Agreements <i>Contract between municipality and developer. Municipality specifies what the developer may do and what they are required to do within project area.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Do you currently implement any of the following?		
• Economic Development Plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Development Impact Fees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Local Option Tax (resort)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Toll Roads	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Distance Based Impact Fees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Tree City USA	<input checked="" type="checkbox"/>	<input type="checkbox"/>

XI. Community Demographic Profile

Name of Applicant: Shoshone County

	Total Population In Area
Total Population Benefited	E. 5,290
Total Population in Applicant's Area	13,771
Male	6,866
Female	6,905
White	13,198
Percent of White Population	95.8%
Minority Population:	
Black or African American	15
American Indian & Native Alaskan	209
Asian	32
Native Hawaiian & Pacific Islander	10
White; Black or African American	5
White; American Indian & Alaska Native	148
White; Asian	21
Black or African American; American Indian & Alaska Native	0
Other Multi-Racial	133
Hispanic	266
TOTAL MINORITY	839
Percent of Population	6%
Senior Citizens:	
Total Persons 65 Years and Over	2,400
Percent of Population	17.4%
Disability Status:	
Civilian Non-Institutionalized Population 16 to 64	8,526
Percent with a Disability	24.3%
Civilian Non-Institutionalized Population 65 Years and Over	2,260
Percent with a Disability	41.6%
Female Head of Household:	
Total <i>Occupied</i> Households	5,906
Female Householder, No Husband	478
Percent of Households	8%

XII. Review and Ranking Narrative

A. **PROGRAM IMPACT** *(To be calculated by Idaho Commerce & Labor Staff)*

1. Percentage of ICDBG in total project: _____%
2. Percentage of Local Matching Funds compared to grant funds: _____%
3. Grant dollars per person: _____%
4. Local matching funds per person: _____%
5. Eligible Activity Priority Ranking:

Eligible Activity	Point Value	% of ICDBG Budget Spent on Activity	Staff Points Awarded
Acquisition of Real Property	100		
Acquisition of Real Property for Housing Projects	50		
Public Facilities and Improvements – Health and Safety Related	100	90%	
Public Facilities and Improvements – Housing Related	75		
Public Facilities and Improvements – Social Service Related	50		
Engineering/Architectural	100		
Code Enforcement	50		
Clearance and Demolition	10		
Removal of Architectural Barriers	50		
Rental Income Payments	0		
Disposition of Property	10		
Public Services	0		
Completion of Urban Renewal Projects	0		
Relocation Payments	25		
Planning Activities	0		
Administrative Activities	100	10%	
Grants to Nonprofit Community Organizations	0		
Grants to Nonprofit Community Organizations for Housing Projects	100		
Energy Planning	0		
Housing Rehabilitation	75		
Total Points Awarded to Project:		100%	

B. NATIONAL OBJECTIVES – LOW AND MODERATE-INCOME

1. Low and Moderate Income Percentage Points (100 points):

The households within the boundaries of the District are 53.72% LMI by survey.

2. Need and Impact:

a) Need

This project represents a ***critical need***, as in August 2005 the Idaho Department of Environmental Quality, in accordance with Idaho Code §39-108, issued an Amended Voluntary Consent Order to the Central Shoshone County Water District for compliance with IDAPA 58.01.08, Public Drinking Water Systems. This consent order, plus an additional amendment dated February 11, 2008 is located in Appendix F, and outlines a timeline for requirements the District must meet to comply with the Rules for Public Drinking Water Systems. Specifically, violations include failure to achieve full compliance with surface water treatment rules within specified timelines and health effects related to these failures. Activities that must be accomplished include public notification, water capacity improvements as approved by DEQ, metering and related reports, pilot studies, treatment and filtration.

The Central Shoshone County Water District serves 2500 connections in the Cities of Smelterville, Kellogg, Osburn and in a number of unincorporated areas of the Silver Valley. This is currently the largest unmetered system in the state of Idaho. It is also the largest system in Idaho that has been identified as having an unfiltered surface water supply. These two factors have caused the District to be under an IDEQ consent order since 1995.

The District will resolve its unfiltered water supply by installing a water filtration system in 2009. This system will use state of the art membranes to treat water. To keep the cost as low as possible for the District's current rate payers, the project will be designed to meet only current demands. Future growth will be accommodated through reducing flows or adding treatment units to expand capacity. Flow reduction is best accomplished through use of individual water meters that clearly identify usage and cost.

The District has per capita water usage that is 45% higher than similarly sized systems in Northern Idaho (Table 1). This high rate of usage has a correspondingly high operation and maintenance cost so that District funds are spent pumping and treating water instead of implementing necessary capital improvements. Metering is the most effective way to reduce the existing per capita water usage and is

Table 1 – Typical Water Usage

<i>City/Municipality</i>	<i>Maximum-Day Demand Per Person (gallons per day)</i>
City of Coeur d'Alene, Idaho	703
Riverside Water District, Idaho	540
City of Priest River, Idaho	809
Central Shoshone County Water District, Idaho	1030

critical for the District's long term stability. Metering projects instituted in Washington have seen reductions of 18% - 50% for systems of this size (Table 2) and a recent metering project for the East Shoshone Water District in adjacent Wallace, ID resulted in a maximum day demand reduction of 75%. The District's master plan conservatively assumes a 25% reduction in maximum demands through metering.

Table 2 – Typical Water Reduction from Metering

<i>City</i>	<i>Program(s)</i>	<i>Number of Connections</i>	<i>Demand Reduction</i>
Lake Limerick, WA	Meters	912	39%
City of George, WA	Meters/Leak Detection	146	75%
Omak, WA	Meters	1189	18%
Leavenworth, WA	Meters	897	>40%
Twisp, WA	Meters	451	38-53%

Source: Washington State Department of Health, Water Conservation Program, 2003

b) Impact

1) *What benefits will low and moderate-income persons receive from this project?*

An income survey of the District identified 53.72% low to moderate-income (LMI) residents. Failure to comply with the VCO will result in \$1,000 for each violation, plus potential court action for performance and penalties, including restraining orders, injunctions, attorney fees and other statutes as the court sees fit. By the hand of a judge, these fees will be passed down to the ratepayers, posing an additional financial burden on the LMI.

The forecasted unemployment rate for October 2008 for Shoshone County is 11.2%; which is a significant increase from 7.6% in September 2008 and substantially up from just a year ago – 4.9% in October 2007¹. An average of the Census data in the incorporated areas within the District indicate that over 17% of the labor force is below the poverty level.

This project is a key part of the District's push to meet current standards in a cost-effective and sustainable manner. With meters in place, the District can charge its rate-payers the true cost of service and implement a fair, equitable rate system. This project will also give the District the ability to grow, helping decrease the rate burden on low income residents.

¹ Idaho Department of Labor, Research & Analysis and Public Affairs, November 7, 2008.

- 2) *What are the ramifications if the project is not funded, i.e., higher rates, lack of facility, lose of property, etc.*

Despite the current water bills of \$40 per month and projected bills of \$50 per month, the District does not have adequate funds to complete this project. As a result grants are necessary to fund this work. The Block Grant funds will be dedicated to Smelterville and Kellogg where the majority of low income rate-payers live. Without grant money, the District will be unable to meet the consent order timeline and will be forced to dedicate a significant portion of their staff to meter installation instead of maintenance. Water usage will continue to increase and the current system will be unable to keep up with demand, leading to low system pressures and potential human health impacts. The impacts to low income households will also be debilitating due to excessive flat water rate bills.

- 3) *If the project comes in over budget, what components will be cut?*

The contract will be on a unit price basis, therefore, if the project comes in over budget, fewer meters will be installed.

- 4) *If a component is cut, what will the grantee do to continue the improvement?*

The District has 6 full time employees including one full time employee dedicated to meter installation. Over the past two years, they have installed 565 of the 2,500 meters and can install meters at the rate of 400-500 per year. The District's consent order with IDEQ requires them to complete all meter installation by 2011. Unfortunately, they are not able to meet this deadline with current staff and will need additional help. To do this, the District can combine in-house forces with local contractors as required and as they are able.

- 5) *What procedures will be developed to measure short and long term permanent impacts of the project?*

Reduction of water use is critical for long term District viability. This metering project will meet that in two ways – elimination of identified residential service leaks and through usage based rates. The District has monitored water usage carefully over the past 20 years and will compare future water use against historical usage. The intention is to be able to reduce the base rate so that elderly and those on fixed incomes can pay lower bills while high water users pay their fair share.

C. PROJECT CATEGORIES – PLANNING, PREVIOUS ACTIONS & SCHEDULE

1. Design Professional

Shoshone County, in partnership with the Central Shoshone County Water District procured for engineering services. Neither the County nor District is requesting ICDBG funds for engineering fees. The procurement documentation cannot be located; nevertheless, attached in Appendix C is DEQ Certificate of Negotiation that states that the District followed federal procurement procedures in the selection of their engineer.

2. Grant Administration

Shoshone County issued a Request for Proposal to provide grant writing and administration services for this project in October 2008. The County formed a committee comprised of the Board of Commissioners and Board Members of the District. Only one proposal was received. The District voted to retain Panhandle Area Council (PAC) as certified grant administrator. The procurement documentation is in Appendix C.

3. Plan/Studies

a. Surveyed the existing condition of the system or facility

The Water System Master Plan completed in 2005 (Appendix H) reviewed supply, distribution and storage systems. Water usage and metering were key parts of the recommendations.

b. Developed and screened alternatives to enable the system to meet future needs and growth

The Master Plan reviewed historical usage and determined that the cost of the required upgrades to meet current usage plus projected growth at existing rates of usage was excessive for rate payers. As a result, it was recommended that the new facilities be designed to meet present demand with the potential to expand for future growth. If the District rate-payers reduce water consumption, the facilities will recover capacity for future growth, allowing the new facilities to meet demand without major expansion. This will allow the District to reduce the cost to current users. If rate-payers do not reduce usage, the District's current system development charge (new connection fee) will be used to fund expansion at no additional cost to existing users.

c. Selected a recommended alternative

The recommended alternative is metering to reduce water usage. Studies have shown a 25-75% reduction in demand as a result of system-wide metering on previously unmetered systems.

d. Evaluated the potential impact of the project on the environment

The overall impact on the environment is positive because it reduces water withdrawal from the water source, reduces runoff of metals laden soils caused by excessive irrigation, reduces power consumption through reduced

pumping, and reduces chemical usage by reducing demand. The only known negative environmental impact is through excavation of soils that could erode. This will be addressed through best management practices and is not anticipated to have a significant environmental impact. Overall, the environmental impact of this project is very positive.

e. Water and Sewer System Projects

IDEQ has approved the facility plan and water meter procurement project. Meter installation is a high priority for IDEQ and has been included in the District's consent order. IDEQ has indicated they will expedite approval of any project that accelerates the installation of meters in the District. A letter from IDEQ is in Appendix H.

4. Environmental Scoping

J-U-B Engineers completed an Environmental Review in March 2006 for all improvements to the entire water system, including this project to install meters. This Environmental will be reviewed and updated by Panhandle Area Council upon grant award. The Table of Contents from the 2006 report and the Environmental Scoping-Field Notes Checklist is located in Appendix I.

5. Agency Viability

BSU Environmental Finance Center helped develop the District's current rate structure. Once all meters are installed, we will work with BSU EFC to update their rate structure based on data collected from the meters. Once meters are installed and read, the rate-payers will receive example bills showing their usage over the past month and the rate they will pay the following month. The intention is to get people to change their water usage habits before they must pay the new bill. This project is key to maintaining the Districts viability. Documentation is in Appendix H.

6. Property Acquisition

To be calculated by the Idaho Department of Commerce staff based on information provided under the General Project Description, Project Land and Permits on page 7.

7. Funding Commitments

To be calculated by the Idaho Department of Commerce staff based on letters of commitment in Appendix G and the cover letter of this application.

8. Schedule

To be calculated by Idaho Commerce & Labor staff based on the project schedule on page 12.

9. Administrative Capacity

a. Applicant and Sub-Recipient Stability

To be calculated by the Idaho Department of Commerce staff based on information provided under the Threshold Criteria, Administrative Capacity (page 4).

b. Section 504/ADA

Has the applicant completed a Section 504 or ADA Self Evaluation and Transition Plan?

☒ Yes

☐ No

The Idaho Department of Commerce has received multiple copies of the County's Section 504/ADA Self-Evaluation and Transition Plan; therefore, a copy of the update only is in Appendix D.

c. Fair Housing Accessibility Standards

What is the most current building code the applicant has adopted?

Shoshone County adopted the 2000 International Building Code through Ordinance No. 122 in 2003, and updated by adopting the current 2006 editions through Resolution 2007-46 on December 31, 2007. Both the Ordinance and Resolution state that future revisions and/or amendments to the International Building Code are automatically adopted and in effect. Documentation is in Appendix D.

Are the Fair Housing Accessibility Standards a component of the County's building code?

☒ Yes

☐ No

10. Cost Analysis

To be calculated by the Idaho Department of Commerce staff based on the detailed cost analysis on page 11.

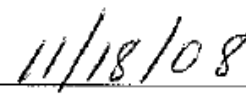
XIII. Certifications

I certify the data in this application is true and correct, that this document has been duly authorized by the governing body of Shoshone County and we will comply with the following laws and regulations if this application is approved and selected for funding.

- National Environmental Policy Act of 1969
- Civil Rights Act of 1964 Pub.L 88-352
- Civil Rights Act of 1968 Pub.L 90-284
- Age Discrimination Act of 1975
- Rehabilitation Act of 1973, Section 504
- Uniform Relocation Assistance and Real Property Acquisition Act of 1970, as amended (49 CFR Part 24)
- Housing and Community Development Act of 1974, as amended Pub.L 93-383
- Davis-Bacon Act (40 USC 276a - 276a-5)
- Historic Preservation Act
- OMB Circular A-87, and ensure that subrecipient complies with A-110 and A-122
- Section 106 of the Housing and Urban Recovery Act of 1983 certifying to:
 - Minimize displacement as a result of activities assisted with CDBG funds by following the Idaho Department of Commerce & Labors anti-displacement and relocation assistance plan;
 - Conduct and administer its program in conformance with Title VI and Title VIII, and affirmatively further fair housing;
 - Provide opportunities for citizen participation comparable to the state's requirements (those described in Section 104(a) of the Act, as amended);
 - Not use assessments or fees to recover the capital costs of ICDBG funded public improvements from low and moderate income owner occupants;
 - Abide by all state and federal rules and regulations related to the implementation and management of federal grants;
 - Assess and implement an Accessibility Plan for persons with disabilities in accordance with Section 504 of the Rehabilitation Act of 1973, as amended;
 - Adopt and implement an Excessive Force Policy;
 - Prohibition of Use of Assistance for Employment Relocation, Section 588 of the Disability Housing and work Responsibility Act of 1998 Pub.L 105-276.
 - Anti-Lobbying Certification: No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of, employee of a member of, officer of or employee of Congress in connection with the awarding of any federal contract, the making of any federal grant or loan, the entering into any cooperative agreement and the extension, renewal, modification or amendment of any federal contract, grant, loan or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a member of, employee of a member of, officer of or employee of Congress in connection with this federal grant, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.


Sherry Krulitz, Chairman
Shoshone County Board of Commissioners


Date

SOUTH FORK COEUR D'ALENE RIVER SEWER DISTRICT

1020 POLARIS AVENUE
P.O. BOX 783
OSBURN, IDAHO 83849



OFFICE: (208) 753-6041
FAX: 753-1151
MULLAN PLANT: 744-1512
PAGE PLANT: 784-7311

November 14, 2008

Donald Dietrich, Director
Idaho Department of Commerce
PO Box 83720
Boise, Id 83720-0093

Mr. Dietrich,

Please accept this letter of support for the Central Shoshone Water District's effort to gain funding for the metering phase of the system upgrade project.

A recent metering project in the adjacent East Shoshone Water District reduced flows to both of the South Fork Coeur d' Alene River Sewer District's treatment plants by encouraging patrons to repair leaking fixtures. Human nature being what it is the proposed project would have the same effect, thus freeing up capacity and reducing treatment costs at the Page Wastewater Treatment Facility.

To assist Central Shoshone Water District in completing the system upgrades, positive consideration of the grant would be greatly appreciated.

Sincerely,

Ross A. Stout
District Manager



Idaho State Senate

Senator Joyce M. Broadsword

Idaho Department of Commerce
PO Box 83720
Boise, ID 83720-0093

November 14, 2008

Attention: Director Don Dietrich

Dear Director Dietrich,

As you are aware many entities in our state are struggling to find the funding for needed projects. This letter is in reference to one of those, the Central Shoshone County Water District. The district is currently the largest non-metered water system as well as the largest unfiltered surface water system in the state. The system has been under a consent decree from the Idaho Department of Water Quality since 1995. The 2500 connections service the cities of Smelterville, Kellogg, Osburn and a number of unincorporated areas of the Silver Valley. The valley has many unique problems, it the site of Idaho's largest and longest operating superfund site – making all projects more expensive due to the limitation and restrictions under superfund, only 22% of the county's land mass is taxable as the rest is in federal or state ownership – causing high levy rates for its citizens and the county has one of the highest unemployment rates in our state.

The CSCWD has gone to the voters for a bond to install the filtration system IDEQ says they must have to continue to operate. The \$10 million bond was passed by a vote of the people this year. There is a high number of low income and senior citizens in the district. The monthly bill is being raised \$5 per year for the next 3 years. It is currently \$60 per 10,000 gallons.

IDEQ's consent order requires all the meters to be in place by 2011. The CSWD has begun the process of installing water meters in an effort to slow usage. To date 565 of the 2500 needed have been installed. They plan to continue phasing in meters at a rate of 650 per year. In order to accomplish this feat, they will need to hire independent contractors to augment what their 6 employees can do per year. CSCWD will still fall short of the needed funds to complete the installation by 2011. In order to meet the deadline set by IDEQ the district is seeking a community block grant from the Panhandle Area Council to help fund the additional meter installation costs.

I support the actions taken by the district and ask for your consideration of this grant request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joyce".
Joyce Broadsword

Cc: Nancy Mabile, PAC



PANHANDLE HEALTH DISTRICT

Healthy People in Healthy Communities

114 W RIVERSIDE
KELLOGG, ID 83837
<http://www.phd1.idaho.gov>
<http://www.silvervalleyicp.com>

November 18, 2008

Donald Dietrich, Director
Idaho Department of Commerce
PO Box 83720
Boise, ID 83720-0093

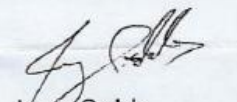
Dear Mr. Dietrich:

I am writing in support of Central Shoshone Water District's Water Meter Installation Project. The project is critical to the District's efforts to reduce pumping costs and improve operational efficiency.

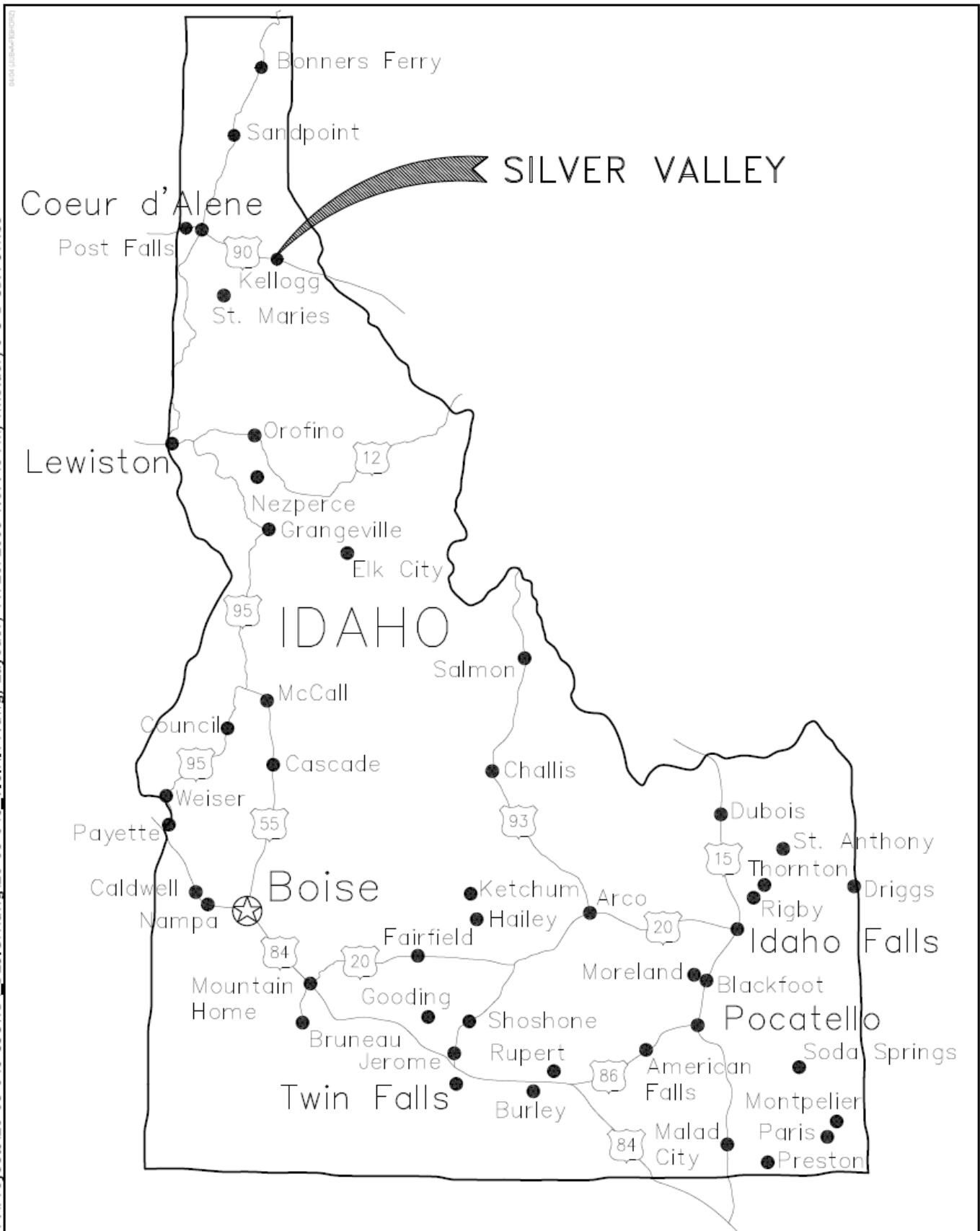
Money saved can be diverted to making much needed repairs to an aged and dilapidated water distribution system.

If you have any questions or need additional information, please feel free to contact me at anytime. I can be reached at (208) 783-0707.

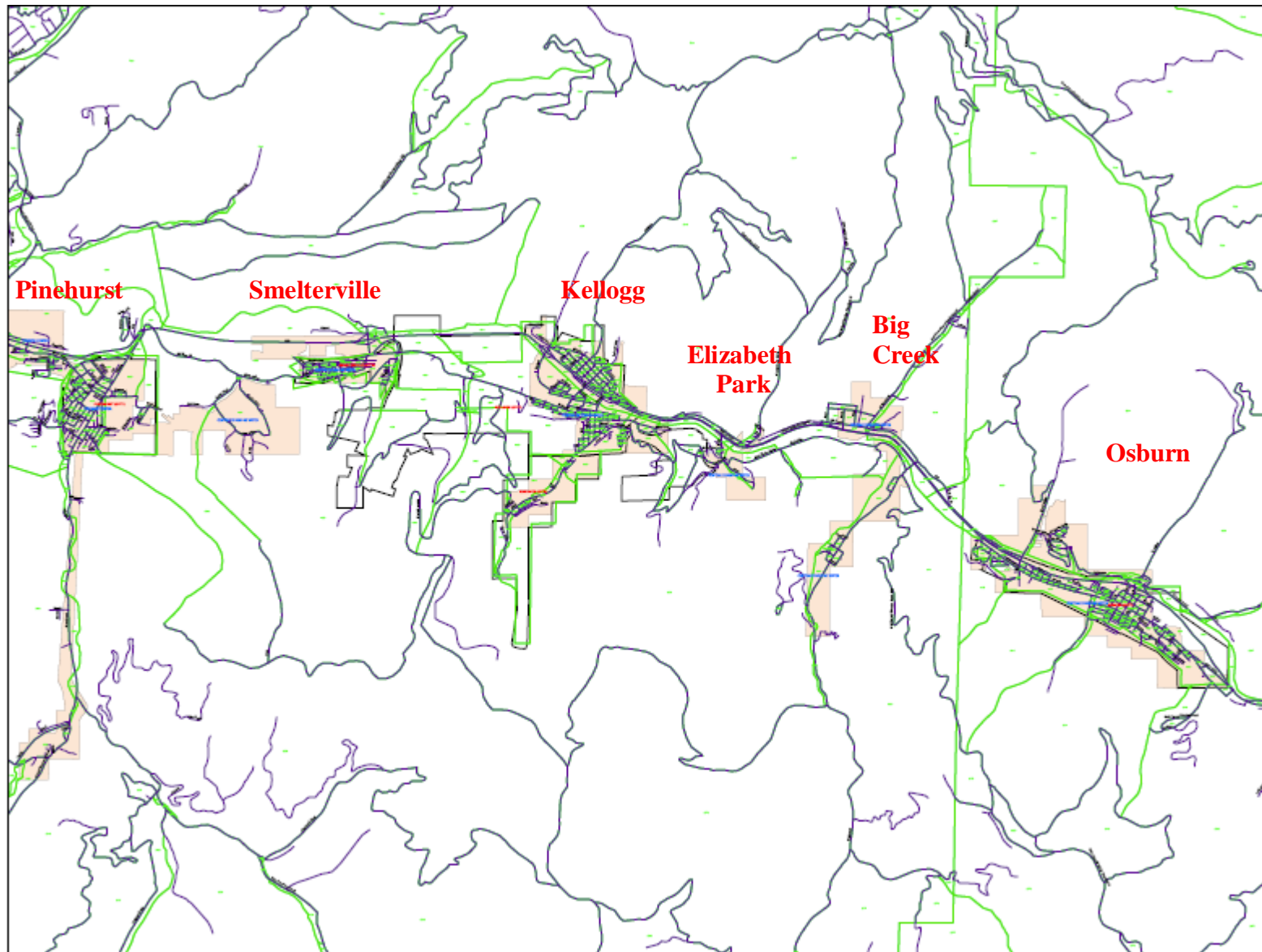
Sincerely,


Jerry Cobb
Program Manager

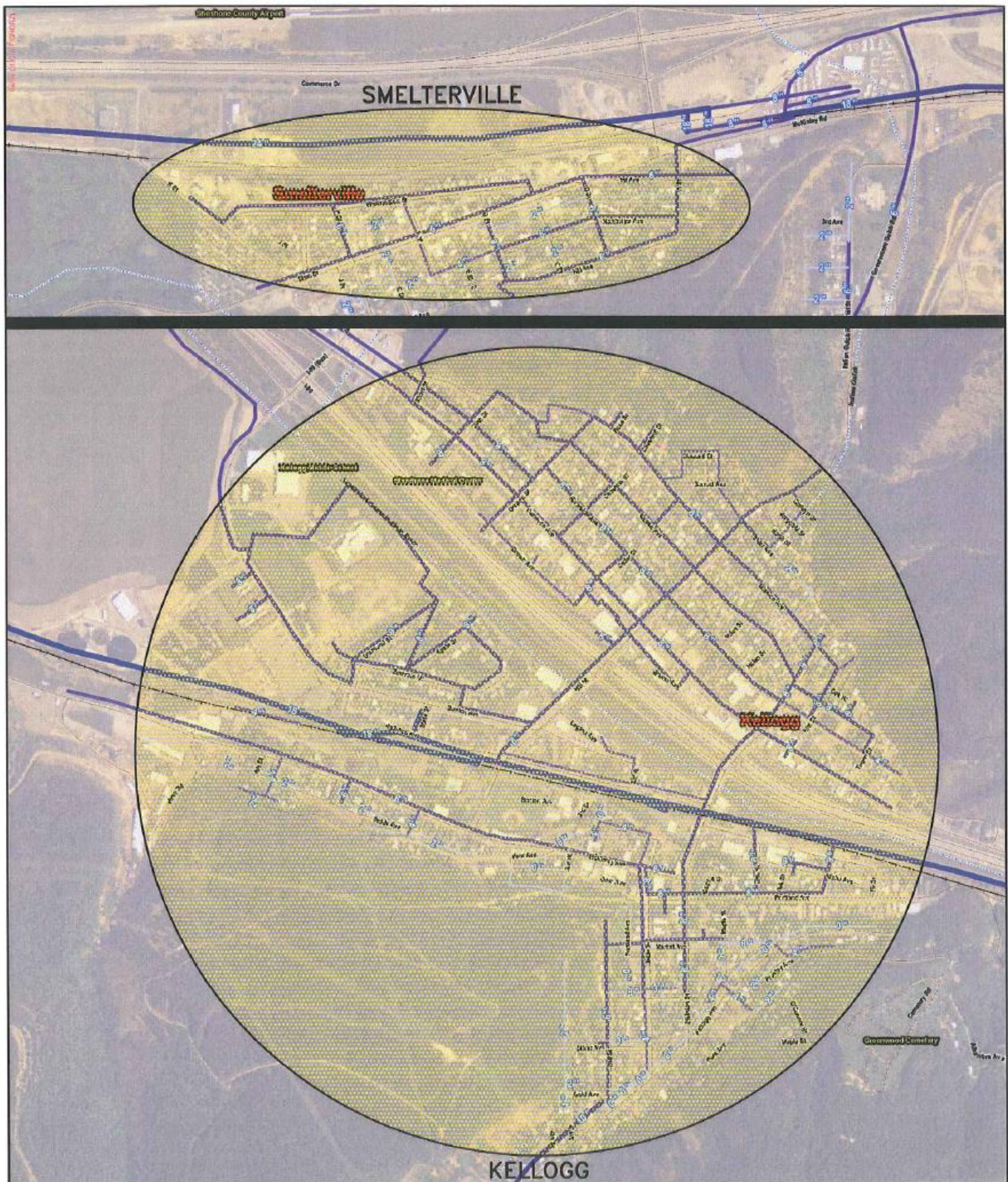
cc Nancy Mabile - PAC



CENTRAL SHOSHONE COUNTY WATER DISTRICT
SILVER VALLEY
VICINITY MAP



Shaded Area = Central Shoshone County Water District Boundary




 AREA FOR METER INSTALLATION



CENTRAL SHOSHONE COUNTY WATER DISTRICT
 AREAS FOR METER INSTALLATION

CENTRAL SHOSHONE COUNTY WATER DISTRICT - 2008 GRANT APPLICATION
WATER SYSTEM METERING PROJECT
40% CONTRACTOR & 60% DISTRICT FORCES

ENGINEERS OPINION OF PROBABLE COST

ITEM NO.	DESCRIPTION	QUANT.	UNIT	UNIT PRICE	TOTAL COST
1	METER INSTALLATION - CONTRACTOR				
2					
3	3/4" residential meters	431	EA	\$ 142	\$61,202
4	1" residential meters	29	EA	\$ 196	\$5,684
5	3/4" Materials	431	EA	\$ 535	\$230,477
6	1" Materials	29	EA	\$ 713	\$20,677
7	Labor	1840	HR	\$ 65	\$119,600
8	Equipment	920	HR	\$ 100	\$92,000
9	ICP requirements	460	EA	\$ 45	\$20,700
10	Curb/gutter/sidewalk repair	140	SY	\$ 50	\$7,000
				Subtotal	\$557,340
1	METER INSTALLATION - DISTRICT (FORCE ACCOUNT)				
2					
3	3/4" residential meters	647	EA	\$ 142	\$91,874
4	1" residential meters	43	EA	\$ 196	\$8,428
5	3/4" Materials	647	EA	\$ 465	\$300,855
6	1" Materials	43	EA	\$ 620	\$26,660
7	Labor	2760	HR	\$ 55	\$151,800
8	Equipment	1380	HR	\$ 50	\$69,000
9	ICP requirements	690	EA	\$ 40	\$27,600
10	Curb/gutter/sidewalk repair	210	SY	\$ 50	\$10,500
				Subtotal	\$686,717
Construction Subtotal					\$1,244,057
Mobilization and Bonding					\$60,000
Contingency					\$120,000
Total Construction					\$1,424,057
Contract Document Preparation					\$40,000
Construction Administration					\$42,000
Legal/Interim Financing					\$7,500
Legal (bond)					\$2,500
Subtotal Soft Costs					\$92,000
Total Project Cost					\$1,516,057



J-U-B ENGINEERS, Inc.
7825 Meadowlark Way, Coeur d'Alene, ID 83815
Ph (208) 762-8787 - Fax (208) 762-9797



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

2110 Ironwood Parkway • Coeur d'Alene, Idaho 83814 • (208) 769-1422

C.L. "Butch" Otter, Governor
Toni Hardesty, Director

November 13, 2008

Ms. Nancy Mabile
Panhandle Area Council
11100 Airport Dr
Hayden, ID 83835
nancy@pacni.org

RE: **Central Shoshone County Water District, Block Grant Funding for Water System Improvements**

Dear Nancy:

As we have discussed, Central Shoshone County Water District is applying for an Idaho Community Development Block Grant to provide funding for the installation of water meters throughout the District. The project will involve installation of water meters purchased with Idaho Department of Environmental Quality SRF Loan funds. The meters and other system upgrades funded through the SRF program will initially provide production capacity solely to meet the current peak demand for water.

The installation of water meters is one of the proposed projects outlined in the October 2005 "Water System Master Plan" compiled by J-U-B Engineers, Inc. Through the installation of meters and setting user rates according to water usage, the District will see a significant reduction in water usage per user. It is estimated that metered usage will reduce consumption by twenty-five to fifty percent, based on existing data from similar community metering projects. It is critical that the District complete this project to meet the conditions of the voluntary consent order between the District and IDEQ, to provide the needed capacity for fire flow and to allow for growth to occur within the District.

The Idaho DEQ awarded the District a 50% matching grant for \$63,400 to prepare the master plan and the District provided the remaining 50% share. DEQ awarded a \$6,000,000 loan to the District on April 10, 2006 to provide the financing for the design and construction of water storage tanks and design of a membrane filtration plant through a State Revolving Fund loan. The Idaho DEQ is currently processing a second loan award for \$10,800,000 to construct the membrane filtration plant. The current users passed a corresponding revenue bond on August 5, 2008 allowing the District to borrow the \$10,800,000 from IDEQ.

Please call if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Katy R. Baker".

Katy R. Baker, EIT
Katy.Baker@deq.idaho.gov

c: Tim Wendland, DEQ, Boise Tim.Wendland@deq.idaho.gov
Duane Little, Chairman, CSCWD, 409 Main St, Kellogg, 83837 officemgr@cscwaterdistrict.com

*From Snowflakes to
Pure Water..via..Dependable
Distribution Systems*



409 Main Street
Kellogg, Idaho 83837
(208) 786-9141
(208) 784-5151 Fax

November 17, 2008

Mr. Donald Dietrich, Director
Idaho Department of Commerce
PO Box 83720
Boise, ID 83720-0093

Dear Director Dietrich:

The Central Shoshone County Water District has committed to contributing \$200,000 of our operating expenses for the successful completion of the Water Meter Installation Project. These funds will be used for engineering, materials and labor to install the meters. In addition, the District has spent \$490,461 in the past year to purchase and install meters.

Please feel free to contact me if you should have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Duane E. Little", is written over a horizontal line.

Duane E. Little
Chairman